GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1011
ANSWERED ON:21.07.2017
Performance of MFIS
Nayak Shri B.V.

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has conducted any study recently about the performance of Micro-finance companies in the country, if so, the details thereof; and
(b) whether cases of violation of norms from Micro-finance companies are reported during the last three years, if so, the details thereof, State/UT-wise and the action taken by the Government in this regard?

Answer

(MINISTER OF STATE IN THE MINISTRY OF FINANCE)

(a): No Madam. However, the Reserve Bank of India (RBI) conducted a thematic review of the working of 15 Non−Banking Financial Companies-Micro Finance Institutions (NBFC-MFIs) registered with it in September-October 2016. The review was aimed at assessing the MFIs' readiness from a prudential point of view for the increasing growth witnessed during 2014-15 and 2015-16. The review observed, interalia that systems and procedures have not been undermined by NBFC-MFIs, gross NPA and net NPA as on March 31, 2016 were in range of 0%-0.88% and 0%-0.13% respectively, MFIs were increasingly using technology for quick processing and expeditious disbursal of loans, MFIs were relying on information from Credit Information Companies to check indebtedness of borrowers and adhering to Fair Practices code guidelines issued by RBI, etc
(b): RBI received 5 complaints each in 2014-15 & 2015-16 and 16 complaints in 2016-17. The complaints interalia, pertained to charging of higher interest, recovery of loans, repayment of loan, processing of Insurance claim, non-sanction of loan, etc. All the complaints have since been resolved.
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